

Office of
Enterprise Risk
Management



RISK ASSESSMENT PLAN

This document outlines the planned activities of the Office of Enterprise Risk Management in 2011-12 to identify, assess, monitor, and report current and emerging risks to the successful achievement of CalPERS vision and mission.

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1. Introduction

In September 2010, the CalPERS Board of Administration created the Office of Enterprise Risk Management (OERM), combining the functions of Enterprise Compliance, Information Security, and Business Continuity with a new Risk Intelligence Function. This office has primary responsibility for leading the organization in the identification, assessment and monitoring of enterprise risks, and for developing a risk-intelligent culture among staff and management.

Toward that end, the OERM will provide annually a report on the risk assessments planned for the fiscal year. This risk assessment plan is intended to align the risk assessment process across the OERM divisions and ensure that areas with a high degree of risk receive adequate assistance in measuring and monitoring that risk. In addition, the plan will help the OERM provide reassurance to the Board that management's mitigation strategies are in place and having the intended effect.

2. Planned Risk Assessment Activities

The following table lists the risk assessment activities that will be undertaken in 2011-12 and identifies the area being assessed, the division responsible for conducting the assessment, and the timeframe.

Topic	Area Assessed	Assessor	Timeframe
Enterprise Risk Assessment	Enterprise	Risk Intelligence	January 2012
Pension Reform	Benefit Programs Policy and Planning	Risk Intelligence	January 2012
BlackRock/ Charles River User Review	Investment Office	Enterprise Compliance	March 2012
Health Care Reform	Benefit Programs Policy and Planning	Risk Intelligence	March – April 2012
EXAB IT Risk Assessment	External Affairs Branch	Enterprise Privacy and Protection	April 2012
Enterprise Risk Assessment	Enterprise	Risk Intelligence	April 2012
Form 700 / Conflict of Interest	Enterprise	Enterprise Compliance	June 2012
Securities Lending Review	Investment Office	Enterprise Compliance	June 2012

Topic	Area Assessed	Assessor	Timeframe
BlackRock/ Charles River Rules Review	Investment Office	Enterprise Compliance	June 2012
Enterprise Policy Review	Enterprise	Enterprise Compliance	June 2012
ACTO IT Risk Assessment	Actuarial Office	Enterprise Privacy and Protection	June 2012
INVO IT Risk Assessment	Investment Office	Enterprise Privacy and Protection	April – August 2012

Risk Assessment Plan

3. Risk Assessment Activities Calendar

	Q3 2011-12			Q4 2011-12			Q1 2012-13			Q2 2012-13		
	January	February	March	April	May	June	July	August	September	October	November	December
Risk	Enterprise Risk Assessment	Enterprise Risk Report	Enterprise Risk Training	Enterprise Risk Assessment	Enterprise Risk Report	Enterprise Policy Review	Enterprise Risk Assessment	Enterprise Risk Report	Enterprise Risk Training	Enterprise Risk Assessment	Enterprise Risk Report	
	Pension Reform Risk Assessment		Blackrock/Charles River User Review	Health Care Reform Risk Assessment	Risk Plan	Blackrock/Charles River Rules Review						
				EXAB IT Risk Assessment		ACTO IT Risk Assessment		INVO IT Risk Assessment		CSS IT Risk Assessment		
						Securities Lending Review						
			Board Risk/Audit Committee		Board Risk/Audit Committee	Form 700/Conflict of Interest		Board Risk/Audit Committee		Board Risk/Audit Committee		Board Risk/Audit Committee
	Personal Trading Platform Monitoring Compliance Monitoring Executive Risk Committee Meetings			Personal Trading Platform Monitoring Compliance Monitoring Executive Risk Committee Meetings			Personal Trading Platform Monitoring Compliance Monitoring Executive Risk Committee Meetings			Personal Trading Platform Monitoring Compliance Monitoring Executive Risk Committee Meetings		
Audit Plan			Audit Status Report		Audit Status Report			Audit Status Report				Audit Status Report
					Audit Plan			Year-end Audit Report				
					Audit Risk Assessment							
Annual Plan		Plan Update	New Plan Approval		Performance Goals				Plan Closeout		Plan Update	
Budget			Budget First Read	Budget Second Read					Year-end Budget Report		Mid-year Budget First Read	Mid-year Budget Second Read
Core Business Processes	Board Offsite		Asset Allocation (3-yr)	Actuarial Experience (4-yr)			Board Offsite			Open Enrollment	Asset-Liability Workshop (3-yr)	
			Health Rate Negotiation									